

TO: Cathie McCullough
Director, Food Distribution Division
Food and Nutrition Service

FROM: Bert Farrish *Cardace Thompson* APR 13 2004
Deputy Administrator for Commodity Operations (CO)

SUBJECT: Current Nonfat Dry Milk (NDM) Inventory

High demand for fresh NDM solids in domestic and international markets and a decline in milk production have impacted Commodity Credit Corporation's (CCC) ability to replenish their stocks and to provide domestic feeding programs with fresh NDM solids (less than 12 months of age).

CCC anticipates no change in the market place until late fall; therefore, only 18 to 24 months old NDM solids will be available for domestic feeding programs during fiscal year (FY) 2005.

In the past several weeks, no quantities of NDM solids have been offered to CCC under the Milk Price Support Program. Additionally, any new NDM solids CCC may purchase in the future are already committed to export programs.

CCC has allocated to domestic feeding 67 million pounds of NDM solids between 12-24 months old for the remaining of FY 2004.

We look forward to working with you on this matter.

cc: FSA:PDD:5755-S FSA:DACO:3080-S
FSA:EI-Farra:5755-S FSA:DPB:5755-S

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